Government of Saskatchewan

# Annual Report 1987

**Forty-third Annual Report of the Saskatchewan Liquor Board Superannuation Commission**

for the year ended

**December 31, 1987**

**Saskatchewan Liquor Board Superannuation Commission**

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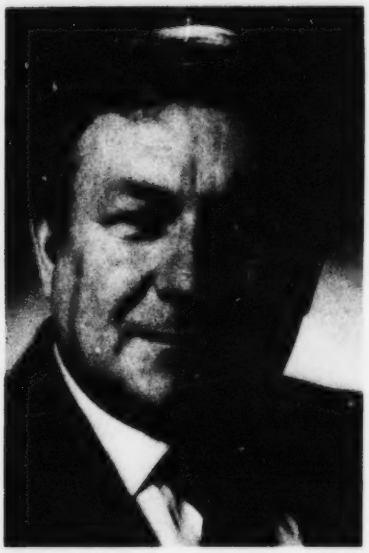
**Saskatchewan**
**Liquor Board**
**Superannuation**
**Commission**



Regina, Saskatchewan

The Honourable F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

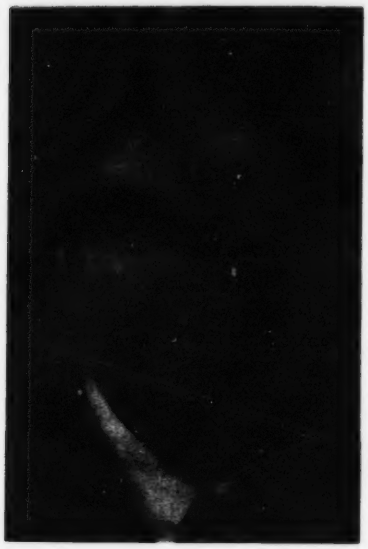
I have the honour to submit herewith the forty-third Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1987, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Graham Taylor

D. Graham Taylor
Minister in Charge
Liquor Board
Superannuation Commission

**Saskatchewan**
**Liquor Board**
**Superannuation**
**Commission**



Regina, Saskatchewan

The Honourable D. G. Taylor
Minister in Charge
Liquor Board Superannuation Commission
Regina, Saskatchewan

Sir:

I have the honour to submit herewith the forty-third Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1987, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Brian Smith

Brian L. Smith
Chairman

# The Liquor Board Superannuation Commission

### Introduction

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of The Liquor Board Superannuation Act.

The primary objective of the Commission is to provide superannuation allowances to employees who retire and to the dependents of deceased superannuates and employees, in accordance with the Act.

### Contributions and Payments

During the calendar year ended December 31, 1987 employees' contributions to the Liquor Board Superannuation Fund amounted to $300,650. Employer contributions of $1,004,174 were made to the Fund.

Allowances paid during the year to superannuates, and to the spouses and children of deceased superannuates and employees, amounted to $2,090,634.

### Retirements and Deaths

Five employees retired during the year:

| | |
|---|---|
| Normal retirement at age 65 | 3 |
| Optional retirement after 35 years service | 1 |
| Optional retirement after age 55 with minimum 30 years service | 1 |
| Total | 5 |

For further details, see Tables 1 and 2.

During the year five superannuates receiving an allowance died. A superannuation allowance was granted to the spouses of three deceased superannuates. In the other two deaths, there were no beneficiaries. (See Tables 3 and 4).

### Administration

The Public Employees Benefits Agency, in the Department of Finance, is responsible for the operation, administration and management of the Liquor Board Superannuation Plan.

The Commission extends its appreciation to the diligent staff of the Public Employees Benefits Agency responsible for the day to day administration and accounting requirements of the Liquor Board Superannuation Plan and to employees of the Liquor Board for their co-operation and assistance during the year.

### Liquor Board Superannuation Commission

| | |
|---|---|
| **Brian Smith** | **Chairman** |
| **Ted Urness** | **Member** |
| **Wally Fries** | **Member** |

## Table 1 Allowances Granted to Employees

| Name | Position | Effective Date |
|---|---|---|
| **Employees Retired Having Attained the Age of Retirement — Age 65** | | |
| Forgie, David | Machine Operator | November 1, 1987 |
| Kenny, Neil | L.S. Manager | November 1, 1987 |
| Pidwerbesky, David | L.S. Manager I | April 1, 1987 |
| **Employees Retired at Their Option After 35 Years Service** | | |
| Rowley, Arthur | Warehouseman | September 1, 1987 |
| **Employees Retired at Their Option After Age 55 — Reduced Allowance** | | |
| Slinn, Wilfred | Warehouse Foreman | February 28, 1987 |

## Table 2 Allowances Granted to Employees

| | Final Monthly Salary | Age | Years of Service | Annual Allowance |
|---|---|---|---|---|
| **Employees Retired Having Attained the Age of Retirement — Age 65** | | | | |
| 1. | 2,435.84 | 65 | 30.79 | 13,854.24 |
| 2. | 2,071.09 | 65 | 15.50 | 4,785.72 |
| 3. | 2,310.00 | 65 | 28.54 | 11,543.56 |
| **Employees Retired at Their Option After Age 35 Years of Service** | | | | |
| 1. | 2,004.62 | 63 | 35.00 | 16,017.36 |
| **Employees Retired at Their Option After Age 55 — Reduced Allowance** | | | | |
| 1. | 1,990.08 | 56 | 32.99 | 15,348.60 |

## Table 3 Allowances Granted to Spouses of Deceased Superannuates

| Name of Superannuate | Date of Death | Age at Death |
|---|---|---|
| Richardson, Ray | January 29, 1987 | 60 |
| Hayes, Alden | August 31, 1987 | 67 |
| Cunning, Dorothy | August 23, 1987 | 89 |
| Holden, Gordon | June 7, 1987 | 67 |
| Folk, Jacob | August 2, 1987 | 67 |

## Table 4 Allowances Granted to Spouses of Deceased Superannuates

| Annual Allowance at Death | Annual Allowance Payable to Spouse | Effective Date |
|---|---|---|
| 1. 17,017.44 | 10,210.46 | July 1, 1987 |
| 2. 17,726.88 | No Beneficiary | |
| 3. 12,080.88 | 7,248.53 | September 1, 1987 |
| 4. 6,710.40 | No Beneficiary | |
| 5. 5,876.04 | 3,525.72 | February 1, 1987 |

Saskatchewan
Liquor Board
Superannuation
Commission

## Liquor Board Superannuation Fund

# Financial Statements

**Year Ended December 31, 1987**

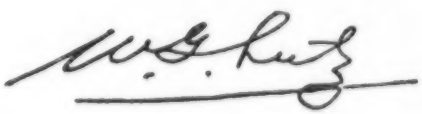
**Saskatchewan Liquor Board Superannuation Commission**

## Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Liquor Board Superannuation Fund as at December 31, 1987 and the statements of revenue, expenditure and accumulated fund equity, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at December 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
March 31, 1988.

W. G. Lutz, F.C.A.,
Provincial Auditor.

**Statement 1**

# Liquor Board Superannuation Fund
## Balance Sheet

**December 31, 1987**
(with comparative figures for the previous year)

| | 1987 | 1986 |
|---|---|---|
| **Assets** | | |
| Cash | $ 65,202 | $ 62,458 |
| Accounts receivable — Employer's contributions | 96,057 | 70,858 |
| — Employees' contributions | 28,759 | 21,215 |
| — Other | 10,146 | 626 |
| Investments (Schedule 1) | 10,817,666 | 10,303,205 |
| Accrued interest | 200,389 | 220,572 |
| | $11,218,219 | $10,678,934 |
| **Liabilities and Accumulated Fund Equity** | | |
| Accounts payable | $ 118 | $ — |
| Fund equity: | | |
| Accumulated fund equity (Statement 2) (Note 6) | 11,218,101 | 10,678,934 |
| | $11,218,219 | $10,678,934 |

(See accompanying notes to the financial statements)

**Statement 2**

# Liquor Board Superannuation Fund
# Statement of Revenue, Expenditure and Accumulated Fund Equity

**Year Ended December 31, 1987**
(with comparative figures for the previous year)

| | 1987 | 1986 |
|---|---|---|
| Revenue: | | |
| Contributions from employers (Note 4) | $ 1,004,174 | $ 1,026,432 |
| Interest revenue | 1,009,415 | 1,057,368 |
| Contributions of employees | 300,650 | 307,636 |
| Gain on sale of investments (net) | 373,966 | 318,721 |
| Total revenue | 2,688,205 | 2,710,157 |
| Expenditure: | | |
| Superannuation allowances | 2,090,634 | 1,984,342 |
| Refunds — Contributions | 39,997 | — |
| — Interest | 18,407 | — |
| | 2,149,038 | 1,984,342 |
| Excess of revenue over expenditure | 539,167 | 725,815 |
| Accumulated fund equity, beginning of year | 10,678,934 | 9,953,119 |
| Accumulated fund equity, end of year (Statement 1) | $11,218,101 | $10,678,934 |
| Comprised of: | | |
| Employees'accumulated contributions (Note 6) | $ 2,894,102 | $ 2,850,607 |
| Unallocated (Note 6) | 8,323,999 | 7,828,327 |
| | $11,218,101 | $10,678,934 |

(See accompanying notes to the financial statements)

**Statement 3**

# Liquor Board Superannuation Fund
# Statement of Receipts and Disbursements

**Year Ended December 31, 1987**
(with comparative figures for the previous year)

| | 1987 | 1986 |
|---|---|---|
| Receipts: | | |
| Contributions by employees | $ 293,106 | $ 340,234 |
| Contributions by the employer | 978,977 | 1,033,543 |
| Interest received | 1,007,785 | 1,053,075 |
| Proceeds from maturities and sales of investments | 13,029,128 | 17,981,263 |
| Recovery from Saskatchewan Liquor Board | — | 1,478 |
| Miscellaneous receipts | 21 | — |
| | 15,309,017 | 20,409,593 |
| Cash, beginning of year | 62,458 | (27,735) |
| | $15,371,475 | $20,381,858 |
| Disbursements: | | |
| Superannuate allowance payments | $ 2,090,616 | $ 1,986,217 |
| Cost of living bonus | 139 | 719 |
| Refunds — Contributions | 39,997 | — |
| — Interest | 18,407 | — |
| Investments purchased at cost | 13,157,064 | 18,332,464 |
| Miscellaneous disbursements | 50 | — |
| | 15,306,273 | 20,319,400 |
| Cash, end of year | 65,202 | 62,458 |
| | $15,371,475 | $20,381,858 |

(See accompanying notes to the financial statements)

# Liquor Board Superannuation Fund

## Notes to Financial Statements

**Year Ended December 31, 1987**

### 1. Significant Accounting Policies

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Investments**

Investments of the fund are recorded at cost. Discounts and premiums on purchase are amortized on a straight-line basis over the life of the investments.

### 2. Description of the Fund

The fund was established under The Liquor Board Superannuation Act. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1, 1978.

### 3. Administrative Costs

The fund is administered by the Public Employees Benefits Agency. Accordingly, no provision for administrative costs has been reflected in these financial statements.

### 4. Fund Contributions

Member contributions are based on a percentage of salary. The contributions required by the employer are calculated by applying a predetermined rate to the member's contributions.

### 5. Unfunded Liability

The most recent actuarial valuation of the Saskatchewan Liquor Board Superannuation Plan estimated that on December 31, 1986 the fund had an unfunded liability for past service benefits of $15,380,605. The Saskatchewan Liquor Board is obligated to fund any deficiency to meet retirement benefits and withdrawals.

### 6. Accumulated Fund Equity

a) **Unallocated**

This accumulated fund equity represents the balance of all amounts contributed by former members who themselves or whose beneficiaries are receiving allowances, all amounts contributed by the employer and all interest earned and gains or losses realized on sale of fund investments, reduced by allowances paid to superannuates and interest on contributions refunded to members who have resigned.

b) **Employees' Accumulated Contributions**

This amount represents the accumulated amounts that have been contributed to the fund by current Board employees or former employees who are not yet in receipt of benefits.

**Schedule 1**

# Liquor Board Superannuation Fund
## Schedule of Investments

**December 31, 1987**
(with comparative figures for the previous year)

| | 1987 | 1986 |
|---|---|---|
| Bonds | | |
| Government of Canada | $ 918,760 | $ 1,275,612 |
| Province of Saskatchewan | 2,207,193 | 1,500,192 |
| Other Provincial and Provincially Guaranteed | 801,983 | 1,088,757 |
| School Units and Districts | — | 6,990 |
| Corporate | 3,102,221 | 3,098,659 |
| | 7,030,157 | 6,970,210 |
| Mortgages | | |
| Co-operative Trust Company | — | 249,912 |
| Morguard Trust Company of Canada (Formerly Morguard Trust Company) | 527,784 | 529,761 |
| Shares | 2,250,280 | 2,321,386 |
| Short-term Investments | 1,009,445 | 231,936 |
| Total Investments (Statement 1) | $10,817,666 | $10,303,205 |

Bonds, mortgages and shares had a quoted market value of $10,197,387 on December 31, 1987 (1986 — $11,171,401). Short-term investments are valued at cost, which approximates market value.

Schedule 2

# Liquor Board Superannuation Fund
# Schedule of Investment Transactions

**Year Ended December 31, 1987**

**Bonds and Debentures**

| Purchased | Maturity Date | Interest Rate | Cost | Par Value |
|---|---|---|---|---|
| Government of Canada | April 1, 1995 | 11.25 | $ 574,550.00 | $ 500,000 |
| Government of Canada | July 1, 1989 | 8.50 | 254,850.00 | 250,000 |
| Government of Canada | March 5, 1989 | 8.00 | 244,750.00 | 250,000 |
| Saskatchewan | December 30, 1991 | 9.00 | 304,125.00 | 300,000 |
| Saskatchewan | December 30, 1991 | 9.00 | 147,937.50 | 150,000 |
| Saskatchewan | December 11, 1996 | 9.00 | 244,825.00 | 250,000 |
| Alberta Energy Corp. | September 30, 2003 | 7.25 | 250,000.00 | 250,000 |
| Canadian Oil Debco. | October 31, 2000 | 11.00 | 250,000.00 | 250,000 |
| Roynat | July 28, 1989 | 9.95 | 502,700.00 | 500,000 |
| | | | $2,773,737.50 | $2,700,000 |

| Sold or Matured | Maturity Date | Interest Rate | Received | Book Value | Par Value |
|---|---|---|---|---|---|
| Government of Canada | March 1, 1994 | 12.00 | $ 586,875.00 | $ 527,073.31 | $ 500,000 |
| Government of Canada | December 6, 1987 | 9.25 | 150,210.00 | 149,944.07 | 150,000 |
| Government of Canada | March 6, 1988 | 9.75 | 255,400.00 | 249,598.95 | 250,000 |
| Government of Canada | July 1, 1989 | 8.50 | 246,275.00 | 254,490.74 | 250,000 |
| Government of Canada | March 5, 1989 | 8.00 | 244,750.00 | 246,062.50 | 250,000 |
| Ontario Hydro | December 15, 1991 | 9.00 | 305,625.00 | 294,338.71 | 300,000 |
| Saskatoon S.D. #13 | October 16, 1984-87 | 7.25 | 7,000.00 | 7,000.00 | 7,000 |
| Bank Montreal Mtge. Corp. | September 8, 1991 | 11.25 | 241,000.00 | 183,549.50 | 200,000 |
| Interprovincial Pipeline | July 15, 1996 | 10.875 | 24,000.00 | 24,977.44 | 24,000 |
| Norcen Energy Resources | December 20, 2003 | 13.25 | 9,000.00 | 9,000.00 | 9,000 |
| Norcen Energy Convertibles | December 15, 2006 | 6.00 | 127,000.00 | 100,000.00 | 100,000 |
| Producers Pipeline | June 30, 1995 | 12.00 | 20,370.38 | 20,370.38 | 20,371 |
| Royal Bank | December 9, 1991 | 11.25 | 164,840.75 | 150,000.00 | 150,000 |
| Union Gas Limited | November 1, 2002 | 14.25 | 11,000.00 | 11,000.00 | 11,000 |
| Victoria & Grey Trust | July 13, 1988 | 12.125 | 514,375.00 | 500,000.00 | 500,000 |
| | | | $2,907,721.13 | $2,727,405.60 | $ 2,721,371 |

| | |
|---|---|
| Net decrease in Bonds and Debentures at Par Value (2,721,371-2,700,000) | $ (21,371) |
| ADD: Total as at December 31, 1986 at Par Value | 7,304,445 |
| Total Bonds and Debentures (Par Value) December 31, 1987 | 7,283,074 |
| LESS: Unamortized Discounts | 252,917 |
| Total Bonds and Debentures (at Amortized Cost) December 31, 1987 | 7,030,157 |
| Total Bonds and Debentures (at Amortized Cost) December 31, 1986 | 6,970,210 |
| Net increase in Bonds and Debentures at Amortized Cost | $ 59,947 |

**Insured Mortgages at Cost** — Transactions

| During the year 1987 | Interest Rate | Purchased | Discount Amortized | Disposed | Net |
|---|---|---|---|---|---|
| Co-op Trust Co. | | | | | |
| — Trafalgar Housing Corp. | 21.00 | $ — | $ — | $ 249,912 | $ (249,912) |
| Metroplitan Trust (Formerly Morguard Trust) | | | | | |
| — John Remai | 13.625 | — | — | 908 | (908) |
| — Dahlem (Aspen) Holdings | 10.75 | — | 4,340 | 4,763 | (423) |
| — Country Club Estates | 10.125 | — | 1,640 | 2,286 | (646) |
| **Totals** | | **$ —** | **$ 5,980** | **$ 257,869** | **$ (251,889)** |

**Corporate Shares at Cost** — Transactions

| During the year 1987 | Shares | Purchased | Disposed | Net |
|---|---|---|---|---|
| Alberta Energy Corp. | 14,300 | $ 208,351 | $ — | $ 208,351 |
| Bank of Nova Scotia | 12,000 | — | 186,354 | (186,354) |
| B P Canada | 2,000 | 36,625 | — | 36,625 |
| Campbell Red Lake Mines | 1,000 | — | 20,000 | (20,000) |
| CM NT Equity | 1,500 | 12,938 | — | 12,938 |
| Dome Mines | 3,000 | 36,000 | 36,000 | — |
| Enerplus Resources Corp. | 25,000 | 250,000 | — | 250,000 |
| Imasco | 7,500 | — | 254,566 | (254,566) |
| Laidlaw Transportation Preferred | 7,500 | 150,000 | — | 150,000 |
| McCaw Cellular Comm. | 5,000 | 143,332 | 143,332 | — |
| Moore Corp. | 5,000 | — | 62,937 | (62,937) |
| Placer Dome Inc. | 4,255 | 56,000 | — | 56,000 |
| Royal Bank of Canada | 5,000 | 166,875 | 166,875 | — |
| Shell Canada | 8,000 | — | 209,000 | (209,000) |
| Teck Corporation Preferred | 400 | — | 50,600 | (50,600) |
| Transcanada Pipelines, Warrants | 1,250 | — | 1,563 | (1,563) |
| Western International Comm. | 14,800 | 160,159 | 160,159 | — |
| **Totals** | | **$ 1,220,280** | **$1,291,386** | **$ (71,106)** |

| Short-Term Investments | Purchased | Disposed | Net |
|---|---|---|---|
| Transactions during the year | $ 9,385,921 | $ 8,608,412 | $ 777,509 |

**Summary of Investment Transactions (At Cost)**

| | |
|---|---|
| Increase in Bonds and Debentures at Amortized Cost | $ 59,947 |
| Decrease in Insured Mortgages | (251,889) |
| Increase in Corporate Shares | (71,106) |
| Decrease in Short-Term | 777,509 |
| Total Investment Transactions | $ 514,461 |
| Investments, beginning of year (at Cost) | 10,303,205 |
| Investments, end of year (at Cost) | $ 10,817,666 |